

**Opening Statement of the Honorable Fred Upton
Chairman, Committee on Energy and Commerce
“Solyndra and the DOE Loan Guarantee Program”
September 14, 2011
(As Prepared for Delivery)**

In 2009, Solyndra was the first company to receive a Department of Energy loan guarantee funded with stimulus dollars. Just two years after getting \$535 million in taxpayer dollars, and being touted by President Obama as a model for how the government’s venture capital program in green technology should work, the company has filed for bankruptcy and been raided by the FBI.

We started looking into the DOE Loan Guarantee program and Solyndra’s deal in February. Some questioned the basis for this investigation. After four months of wrangling with the Obama Administration to produce relevant documents, the Committee was forced to issue a subpoena to OMB. I think Solyndra’s recent bankruptcy filing and last week’s FBI raid clearly show that the Committee was more than justified in its scrutiny of this deal. Pursuant to our oversight functions, we have an important responsibility to pursue answers regarding the use of the taxpayer’s money.

Our investigation raises several questions about whether the Administration did everything it could to protect taxpayer dollars. Why did the Administration think Solyndra was such a good bet? Why did the Administration push ahead with restructuring the Solyndra guarantee this year, when some in the government voiced serious concerns about the commercial viability of the company? Why did DOE and OMB allow the government to be subordinated to the private investors, in apparent violation of the law?

I look forward to the testimony of Jeffrey Zients from OMB and Jonathan Silver, Executive Director of DOE’s Loans Program Office. I want to know what the Solyndra failure means for the Loan Guarantee Program. Was Solyndra just one bad bet by an Administration rushing to claim credit for the first loan guarantee, or is it the tip of the iceberg? DOE has closed over \$8 billion in loan guarantees to other “green tech” companies, and it has about \$10 billion left to spend in the next few weeks, before the September 30 deadline. If the administration was so wrong about Solyndra after nine months of due diligence, how can it possibly exercise the proper controls when doling out \$10 billion dollars in a matter of weeks? In this time of record debt, I question whether the government is qualified to act as a

venture capitalist, picking winners and losers in speculative ventures and shelling out billions of taxpayer dollars to keep them afloat.

We began this investigation to shine a bright light on a program shrouded in secrecy and uncertainty. New details are coming to the forefront today about who decided to allocate billions in taxpayer dollars, and where, and why. This is important information, and the public has a right to know how their hard-earned dollars are being spent. But this is not the end of our inquiry. The answers we have turned up so far spark additional questions, and I am committed to pursuing this investigation and conducting rigorous oversight of the Loan Guarantee Program and its recipients. I hope the Administration and my friends on the other side of the aisle will share our commitment to getting answers.